September 24, 1999

TO: Ron Cook

We have reviewed the attached FCC 492 Reports dated September 30, 1999 and the accompanying additional statements and believe they are accurate as of NECA pool reporting through December 1998, as of the August 1999 settlement view.

P. Chirico

R. Snopkowski

A. Askoff (review as to form)

cc: K. Levy

J. Frame

		Approved by Ob/IB 3060-0355
CEIVE		Expires 05/31/94
2	. Reporting Period	_
2 9 1999 nunications Commission	From: N/A	To: N/A
CO OI SOCIATATA	From: 01/97	To: 12/98
rate of re	TURN REPORT	
(Read Instructions on Re	verse Before Completing)	
Dollar Amounts S	hown in Thousands	
	••	
		-
Current Quarter	Campianye	4
N/A	\$2,393,038	
N/A	\$1,971,806	
NA	\$421,232	·
N/A	\$1,863,457	
N/A	11,30%	
		· ·
N/A	\$0	•
.]		}
•		
N/A	\$421,232	·
N9/A	11 2004	
N/A	11.30%	
	0.5000	•
	€0	
and the second of the second of the second	•	그 그 그리는 하다면 그는 그 사람이는 그 글은
	RATE OF RET Read Instructions on Ra Dollar Amounts S Comm Current Quarter N/A N/A N/A N/A N/A N/A	(a) Quarterly Period Cover From: N/A Sunications Commission (b) Cumulative Period Cover From: 01/97 RATE OF RETURN REPORT (Read Instructions on Reverse Before Completing) Dollar Amounts Shown in Thousands Common Line Current Quarter Cumulative N/A \$1,971,806 N/A \$421,232 N/A \$1,863,457 N/A \$1.30% N/A \$421,232

WILLFUL FALSE STATEMENTS MADE ON THIS FORM ARE PUNISHABLE BY FINE AND/OR DAPRISONMENT (U.S. CODE, TITLE 18, Section 1001), AND/OR REVOCATION OF ANY STATION LICENSE OR CONSTRUCTION PERMIT (U.S. CODE, TITLE 47, Section 312(a)(1)), AND/OR FORFEITURE (U.S. CODE, TITLE 47, Section 503).

PCC 492 May 1995

General Instructions

Commercial metructions

i. This report is prescribed under authority of Sections 4(i), 4(9) and 205

if the Communications act of 1824, as amended, FCC 482 shall be filled
in auditable with the Federal Communications Commission,
Washington, D.C. 20554, not later than three (3) menths after the
and of the reporting quarter by each local exchange carrier or group of
affiliated carriers which is not subject to Sections 61,41 through 61,48
of the Commission's Rules and which has filed individual access tariffs
ouring the enforcement period. Each local exchange carrier or group of
affiliated carriers subject to the previously stated sections shall file
lins report with the Commission within three (3) months after the end of
leach calendar year. sech calendar year.

I. The data shall be edgregrated at the same jurisdictional levels as the units, an additional six (8) months from the millal due date, will be owed for sech local exchange certier or group of artiliated carriers inch is not suspect to Sections 61.41 through 61.48 or the commission's Rules to certect their combiets enforcement period rebott. Each local exchange certier or group of affiliated curriers suspect to the previously stated sections may correct their enhall report one year after the initial due date.

C. All instructions shall be railowed. All questions and statements must be complieded. Carriers subject to Sections 01.41 through 01.46 of the Commission's Rules shall complete only the partian of the report that persons 10 the total interstate level (subject to price cass) for the cumulative year person and shall not complete questions four (4) and five CS). If proper onswer is "none" or "not applicable", insert that enswer.

O. Any date that requires clarification should be identified one fully explained in the Remarks section below. If the space provided is insufficient for the required data or it is otherwise necessary or residence to insert additioner statements or schedules, the insert pages should include the name of the respondent and the time period severed, in a style commerming as nearly as practicable to that appearing on the

E. All amounts of money shall be shown in the thousands of collars. Losses of other negative items shall be shown in parenthesis. Rates of return shall be shown to the negrest fundredth.

F. Revenues should include only revenues earned suring the report period. Costs should also reduct only these costs incurred in the report period.

G. Rates of return on a quarterly basis shall be annualized with a multiplicative factor of 4.

H. Interstate adjustments to rate base, expenses and revenues shall be based upon FCC Decret 19125 and other relevant Commission orders, if applicable to the reporting entity.

Specific instructions insferenced to item numbers on formi 1. Item 3. Particulars

Column A - interstats Access, Column A should equal the sum of columns 5 through f for both the current quarter and cumulative periods. Likewise, rates of return in Column A should equal the weighted average of the sums of columns 8 through f.

Line 1 - Total Revenues - tearned curing the report period shall include Service revenues, interest outing construction, if applicable, and misselfaneous operating revenues less uncollectibles.

Line 2 - Total Exponses and Taxes - shall include operating exponses, depreciation, amortization, other exponses, impostate allowences and disallowences of applicable, as well as all laxes.

Line 4 - Rate Base-average Nel Investment - shall include accounts 100.1, 100.2, 100.3, 100.4, 122, 171, 172, and 178. Computation shall be calculated by taking the sum of the average not investments for all mentics in a reporting period and dividing by the rumber of mentins in the reporting period. Deviations from this methodology should be toolnoted and documented in the Remarks Section Below.

Line 6 - Use the following table !	to calculate the effer law effect, of an
FCC proceed yellings	
2. Retund for Period Lamortized	1
SEGMENT LYN	
4. Refund Adjusted for Taxes	
K1 menus line 3 multiplied	by line 21

...... (Enter, this emount)

L. Item 4 - Rates of Return for the Switched Traifle Sensitive Category - Should be calculated and entered in item 4 on the form. Switched traifle sensitive censists of line termination, least Switching, interese, information and local transport. End office includes time termination, least switching and intercest. For reporting purposes, equal access implementation costs should be included within "end office,"

,• . •

 ϵ , item 5 - Multiplicative Factor for Cumulative Measurement - rates of return for the cumulative measurement period shall be arreadized with the appropriate multiplicative factor and shown in item 5.

L. Item 8 - Total Out-of-Period Adjustment. Report total eut-of-period adjustments for cumulative paried in item 6. Significant but-of-period adjustments should be feutroled and explained in the Sements section. Significant eut-of-period sequistments are those plustments having an armibilited 10 basis points of more impact within the three enforcement categories (common line, special access, switched traffic sensitive), in connection with the 10 basis point theseed, carriers need snly report retreactive adjustments access the fellowing amounts: \$1,000,000 for common line revenues; \$300,000 for special access revenues; and \$300,000 for switched traffic sensitive

Cut-of-period edjustments from prior entergement periods identified more than nine mornths after the prior emercement periods have enter should be shown separately in the Remarks section if 19 a company's rate of ratum for at enforcement dategory was within 10 bable points of a refund situation and (2) will cause the prior rate of ratum to a service situation and (2) will cause the prior rate of ratum to a service situation and the prior rate of ratum to a service situation of the prior rate of ratum to a service situation of the prior rate of ratum to a service should be clearly indicated.

Notics of Individuals - FCC 482 is needed to provide this Commission with data required to fulfill its requistory responsibilly with respect to interstate telephone service under Title II of Communicating Act of 1834, as americal, information from the FCC 482 was. For example, to measure whether the rate of return each the carriers exceeds the limits imposed by this Commission, and selected data from the FCC 482 are tabulated and released by the Commission. Your response is mendatory.

Public repeting burden for this collection of information is estimated to everage 8 hours per response, including the time for reviewing instructions, sourceing existing data sources, gathering and maintaining the data needed, and completing and reviewing the celection information. Some comments regarding this burden estimate or any other aspect of this collection of imformation, including suggestions for reducing this burden to Federal Communications. Commission, information seconds and Management Brench, washington, D.C., 20554, and to the Office of information and Regulatory Affairs, Office of Management and Budget, Paperwork Regulator Project (1080-0355). Washington, D.C., 20532.

The feregoing Notice is required by the Privaty Act of 1874, P.L. 83-578, December '21, 1874, 3 U.S.C. 3524X6X2, and the Paperwerk Regultion Act of 1880, P.L. 88-511, 44 U.S.C. 35046XX.

REMARKS

RECEIVED

FEDERAL COMMUNICATIONS COMMISSION d by OMB 3069-8315 Washington, D.C. 20554 Doğum 45/31/96 3EP 2 9 1999 2. Reporting Period 1. Name and Address of Reporting Company (a) Quarterly Period Covered NA To: WA Prom: National Exchange Carrier Association Federal Communications Commission (b) Cumulative Period Covered: 100 South Jefferson Road Office of Secretary From: 01/97 Tex 12/91 Whippany, NJ 07981 RATE OF RETURN REPORT FCC 492 (Read Instructions on Reverse Before Completing) **NECA Tariff Participants** Dollar Amounts Shown in Thousands (B) Common Line (C) Special Access 3. Particulars (A) Interstate Access Cumulative **Current Quarter** Cumulative Current Quarter Cumulative Current Quarter N/A N/A \$134,29 \$3,381,741 \$1,286,991 I. Total Revenues N/A \$1,092,704 NA \$118,425 N/A \$2,965,912 2. Total Expenses and Taxes \$415,829 \$15,872 N/A \$194,287 N/A 3. Oper, Inc. (Net Return) (1-2) N/A \$858,625 NA \$81,934 \$1,692,781 NA N/A 4, Rate Base-(Avg. Net Invest.) 9.69% N/A 11,31% NA N/A 12.28% 5. Rate of Return (%) Annualized 6. FCC Ordered Refund-\$0 N/A \$0 \$0 N/A Amortized for Current NA Period (see Instr. I) \$15,872 NA \$194,287 N/A N/A \$415,829 7. Net Return (incl. effect of FCC Order Refund) (3+6) N/A 9.69% NA 11.31% 12.28% 8. Rate of Return (incl. effect of PCC N/A Order Refund) (7/4) Annualized Traffic Sonsitive Switched Traffic Total 3. Particulars Cumulative **Current Quarter** Cumulative **Current Quarter** NA \$1,960,453 \$2,094,750 1. Total Revenues N/A \$1,873,208 \$1,754,783 2. Total Expenses and Taxes N/A \$205,706 N/A \$221,578 3. Oper. Inc. (Net Return) (1-2) N/A N/A \$834,156 \$752,222 N/A 4. Rate Base-(Avg. Net Invest.) 13.28% 13.67% N/A N/A 5. Rate of Return (%) Annualized 6. FCC Ordered Refund-\$0 \$0 NA Amortized for Current N/A Period (see lastr. 1) \$221,578 7. Not Return (incl. effect of WA \$205,706 NA FCC Order Refund) (3+6) 13.28% 8. Rate of Return (incl. effect of FCC N/A 13.67% N/A Order Refund) (7/4) Annualized 5. Multiplicative Factor Used for Annualizing Rate 4. Rates of Return for the Switched Traffic Sensitive Category 0.5000 of Return for Cumulative Measurement Period (a) Current Quarter (b) Cumulative 6. Total Out-of-Period Adjustment 13.67% (see instruction L) 7. Certification: I certify that I am the chief financial officer or the duly assigned accounting officer; that I have examined the foregoing report; that to the best of my knowledge, information, and belief, all statements of fact contained in this report are true and this report is a correct statement of the business and affairs of the above-named respondent in respect to each and every matter set forth therein during the specified period. Mature Date Typed Name of Person Signing Title of Person Signing

9/30/99 Ronald E. Cook Vice President, Finance & Administration

WILLPUL PALSE STATEMENTS MADE ON THIS FORM ARE PHYSHABLE BY POW AND/OR IMPRISONMENT (U.E. CODE, TITLE II, Section 1801), AND/OR REVOCATION OF ANY

STATION LICENSE OR CONSTRUCTION PERMIT (U.S. CODE, TITLE 47, Section 182), AND/OR PORPETITURE (U.S. CODE, TITLE 47, Section 183).

PCC 492- May 1995

Openeral instructions

This report is prescribed unser sutherity of Sections 4(0, 42) and 205

I the Communications Act of 1834. By smanned, FCC 492 shall be rived in outstocks with the Federal Communications Communications.

Washington, D.C. 20554, not star than three (3) memins after the end of the reporting querier by each least exchange carrier or group of artificial carriers which has filed individual access tarries with the commission subject to Sections 81.41 through \$1.65

A Return Adjusted for Taxes

(1) moust time 30 multiplied by line 20 tents of the Commission within three (3) memths after the end of the calculate the carriers with the Commission within three (3) memths after the end of the calculate to the previously states associated and the calculate the first time and of the calculate the calculate the artist tents.

Line 8 - Use the following lable to calculate the artist of PCC forecas Return Total

1, FCC Crames Return Total

2, Return dor Period theoretized

2, Return adjusted for Taxes

4, Return Adjusted for Taxes

4, Return Adjusted for Taxes

4, minus time 30 multiplied by line 20

Interest this enough

The deta shell be aggrapheted at the same jurisdictional levels at the lifts, an additional six is menths from the initial sub-sate, will be illowed for each local exchange carrier or group of attiliated carriers which is not subject to Sections 81.41 through 81.49 of the Commission's Rules to correct their compilete enforcement period react. Each local exchange carrier or group of attiliated carriers suspect to the proviously stated sections may correct their annual report one year after the initial due date.

C. All instructions shall be followed, All qualities and statements must be commissed. Carriers subject to Sections \$1,41 through \$1,48 of the Commission's Rules shall commiste any the partials of the report that partials to the lefter interstate level (subject to Brice costs for the cumulative year period and shall not complete questions four Id and five (S), if proper enswer is "none" or "not applicable", insert that answer.

2, any sets that requires cignification should be feethered and fully appliance in the Remores section below. If the space provided is sufficient for the requires data of it is otherwise necessary assesses to indicate the insert against another include the name of the responsent one the time period covered. in a style conforming as nearly as practicable to that appearing on the

E. All ensures of money shelf be shown in the thousands of deliers. Lesses of after negative items shelf be shown in parenthesis. Rates of return shell be shown to the nearest mineradity.

r, Revenues should include only revenues earned during the report paried. Costs should also reflect only those costs incluring in the report

). Rates of return on a quarterly basis shall be annualized with a multiplicative factor of 4.

M, interstate adjustments to rate base, expenses and revenues shall be based upon FCC Decret 19128 and other relevant Commission ereers, if applicable to the reporting emity.

Specific instructions insferenced to item numbers on formi J. Hem 3. Particulars

Column A - interstate Access. Column A should equal the sum of columns 5 through ℓ for both the current quarter and cumulative periods. Linewise, rates of return in Column A should equal the weightes average at the sums of setumns 8 through ℓ .

Line 1 - Total Revenues - tearned during the report period Shall include Service revenues, interest during construction, if applicable, and measurement operating revenues less uncellectistes.

Line 2 - Yotal Expenses and Taxes - shall include operating expenses, operation, andritization, other expenses, interstate allowances and qualitawances if applicable, as well as all taxes.

Line 4 - Rate Base-average Net Investment - shall Include secounts 100.1, 100.2, 100.3, 100.4, 122, 171, 172, one 178. Computation shall be excelleded by lating the sum of the average hat investments for all menths in a reporting period and dividing by the number of menths in the reporting series. Deviations from this methodology should be located and decumented in the Remarks Section below.

J. Item 4 - Rates of Return for the Switched Traffic Sensitive Category should be calculated and emerge in item 4 on the form, Switched traffic sensitive consists of line termination, local switching, intercent, information and local transport. End office includes line termination, local switching and intercent. For reporting purposes, equal access imprementation costs should be included within "and office."

K, item 5 - Multiplicative Pester for Cumulative Measurement - rates of requir for the cumulative measurement period shall be annualized with the appropriate multiplicative factor and shown in item 5.

t, item 6 - Total Out-of-Period Adjustment, Report total out-of-period adjustments for sumulative period in item 6. Significant out-of-period educations in the Remarks seeking paiew. Significant out-of-period one explained in the Remarks seekings and provided in the Remarks seekings and period of the seeking period of the seeking period of the seeking with the 10 basis point threshold, agricular teritors and period of the seeking period of the seeking and the seeking seekin access revenues; and \$300,000 for switched traffic sensitive categories.

Out-of-period adjustments from prior entergament periods identified mero than nine menths after the prior enforcement periods have ended ground be snewn separately in the Remarks section if 19 a company's rate of return for an enforcement sategory was within 10 basis points at a refund situation and 10 will easied the prior rate of return to go shove its allowed maximum. In sach case, the appropriate enforcement periods should be clearly indicated.

Motime of Individuals - FCC 492 is needed to provide that Commission with eath required to fulfill its requistory responsibility with respect to interstate telephone service under Title II of Communications Act of 1934, as amonated information from the FCC is used, for example, to measure whether the rate of return earned by the carriers exceeds the limits imposed by this Commission, one selected data from the FCC 482 go laputated and released by the Commission, your response is manually.

Public reporting burson for this solication of information is estimated to everage a neura per response. Including the time for reviewing instructions, searching existing data sources, gethering and maintaining the data needed, and compisting and reviewing the adjection of information. Song comments regarding this surfer estimate or any other aspect of this collection of information, including suggestions for resucing this surfer at Federal Communications Commission, information Receives and Management Scanen, weshington, D.C. 20234, and to the Ciffice of Information are Regulatory Affairs, Ciffice of Management and Budget, Paperwerk Reduction Project (2008–2358), Wagnington, D.C. 20553.

The foregoing Notice is required by the Privatey Act of 1914, P.L. 93-578. December 31, 1914, S. U.S.C. SSSIGKEIS, and the Paperwork Reduction Act of 1886. P.L. 96-511, 84-U.S.C. SSSIGKEIS.

REMARKS

National Exchange Carrier Association, Inc. 100 South Jefferson Road Whippany, NJ 07981 Quarterly Period Covered from: N/A

Cumulative Period Covered

from: 01/97 to 12/98

Common Line Pool Form 492 Additional Statements

Pursuant to Section 65.600 of the Commission's Rules, NECA is submitting cumulative period Rate of Return information for the Common Line Pool for the period January 1997 through December 1998, as of the August 1999 settlement view.

- 1) This Common Line-only pool report supplements data contained in NECA's combined Common Line/Traffic Sensitive pool Form 492 Report. Common Line data contained herein is duplicative of the data contained in NECA's combined report and the combined reports of individual exchange carriers that participate in NECA's Common Line pool but not its Traffic Sensitive pool.
- 2) Twenty-one companies converted from average schedule settlements to cost-based settlements during the cumulative period. These conversions affect the levels of expenses and investment associated with the Common Line Pool during the reporting periods.
- The 1996 Modification of Average Schedules was effective beginning July 1, 1996, and the 1997 Modification of Average Schedules was effective July 1, 1997. These formulas are the basis for total payments to average schedule companies in the current period which are included, along with Category I.B NECA administrative expenses, in line 2 of NECA's Form 492.
- 4) Some cost company reported expenses and investments included in NECA's FCC 492 report are based upon estimated data. Historically, expense and investment levels increase as companies begin reporting actual data. Considering this, it is expected that the rates of return reported on NECA's Form 492 report will decline as the companies update their studies.
- The report includes cumulative period rate of return data reported to NECA for 1251 study areas that participated in NECA's Carrier Common Line tariffs throughout the monitoring period. Actual cost and average schedule settlements information is used for the study areas in the report. Revenues for these study areas are derived using the pool realized rate of return.

National Exchange Carrier Association, Inc. 100 South Jefferson Road Whippany, NJ 07981 Quarterly Period Covered

from: N/A

Cumulative Period Covered

from: 01/97 to 12/98

NECA Tariff Participants Form 492 Additional Statements

Pursuant to Section 65.600 of the Commission's Rules, NECA is submitting cumulative period Rate of Return information for the Common Line and Traffic Sensitive categories for the period January 1997 through December 1998, as of the August 1999 settlement view.

- Fourteen companies converted from average schedule settlements to cost-based settlements during the cumulative period. These conversions affect the levels of expenses and investment associated with the Common Line and Traffic Sensitive pools during the reporting periods.
- 2) The 1996 Modification of Average Schedules was effective beginning July 1, 1996, and the 1997 Modification of Average Schedules was effective July 1, 1997. These formulas are the basis for total payments to average schedule companies in the current period which are included, along with Category I.B and I.C NECA administrative expenses, in line 2 of NECA's Form 492.
- 3) Some cost company reported expenses and investments included in NECA's FCC 492 report are based upon estimated data. Historically, expense and investment levels increase as companies begin reporting actual data. Considering this, it is expected that the rates of return reported on NECA's Form 492 report will decline as the companies update their studies.
- 4) The report includes cumulative period rate of return data reported to NECA for 1088 study areas that have participated in both NECA's carrier common line and traffic sensitive tariffs throughout the monitoring period. Actual cost and average schedule settlements information is used for the study areas in the report. Revenues for these study areas are derived using the pool realized rate of return. The Total Interstate Access columns consist of data summed from the Common Line and Traffic Sensitive categories. Exchange carriers not included in NECA's Form 492 filed an interstate access tariff during the monitoring period and file their own Form 492 pursuant to Commission rules.
- 5) NECA reports the Rate of Return as an aggregate for the Traffic Sensitive category for monitoring purposes per Authorized Rates of Return for Interstate Services of AT&T Communications and Exchange Telephone Carriers, CC Docket No. 84-800 Phase I, Memorandum Opinion and Order, FCC 86-14 (released March 24, 1986) at n. 51.

6) Proper recognition of the interstate nature of Internet traffic would significantly reduce the traffic sensitive pool rate of return.

EXHIBIT 3



80 South Jefferson Road Whippany, NJ 07981

Patricia A. Chirleo Executive Director Tariffs, Rales, Costs & Average Schedules Voice: 973-884-8087 Fax: 973-884-8469 E-mail: pchiric@neca.org

September 28, 2001

Ms. Katie Rangos Federal Communications Commission Industry Analysis Division 445 12th Street, SW Washington, DC 20554

ATTENTION:

Common Carrier Bureau

SUBJECT:

Rate of Return Report, Form FCC 492

Dear Ms. Rangos:

Attached please find, in accordance with Part 65.600 of the Commission's Rules, the Rate of Return Report covering the cumulative period of January 1, 1999 through December 31, 2000 for common line and traffic sensitive pools administered by NECA.

If there are any questions regarding the enclosed, please call me.

Sincerely,

Enclosures

cc: FCC Secretary

ITS

FEDERAL COMMUNICATIONS COMMISSION Washington, DC 20554

Approved by OMB 3060-0355 Form as of 09/15/2001

1. Name and Address of Reporting Company		2. Reporting Period	
National Exchange Carrier Association	•	(a) Quarterly Period C	'overed:
		From: N/A	To: N/A
·		(b) Cumulative Period Cove	
,,		From: 01/99	To: 12/00
FCC 492	RATE OF	RETURN REPORT	
Common Line Pool	(Read	Instructions on Reverse Before Con	npleting)
· · · · · · · · · · · · · · · · · · ·		Dollar Amounts Shown in Thousan	ds
Rational Exchange Carrier Association O South Jefferson Road Whippany, NJ 07981 CCC 492 Common Line Pool Particulars Current Qua Total Revenues N/A Total Expenses and Taxes N/A Oper. Inc. (Net Return)(1-2) Rate Base-(Avg. Net Invest.) Rate of Return (3/4) Annualized FCC Ordered Refund - Amortized for Current Period (see Instr. I) Net Return (incl. effect of FCC Order Refund) (3+6)			
3. Particulars	C	ommon Line	•
	Current Quarter	Cumulative	
1. Total Revenues	. N/A	\$2,756,182	
2. Total Expenses and Taxes	N/A	\$2,296,125	•
3. Oper. Inc. (Net Return)(1-2)	N/A	\$460,057	
4. Rate Base-(Avg. Net Invest.)	N/A	\$2,010,450	
5. Rate of Return (3/4) Annualized	N/A	11.44%	
	N/A	\$0	·
7. Net Return (incl. effect of FCC Order Refund) (3+6)	N/A	\$460,057	:
8. Rate of Return (incl. effect of FCC Order Refund) (7/4) Annualized	N/A	11.44%	
· · · · · · · · · · · · · · · · · · ·		0.5000	
5. Total Out-of-Period Adjustment (See Instr. 1	.)	\$0	1
that to the best of my knowledge, information, and belief	, all statements of fact contain	sed in this report are true and this report is	B COTTECT
Date Typed Name of Person Signing	Title of Person	Signing	Signature
09/28/2001 Ronald E. Cook	Vice President, Fina	ance & Planning	Show

WILLFUL FALSE STATEMENTS MADE ON THIS FORM ARE PUNISHABLE BY FINE AND/OR IMPRISONMENT (U.S. CODE, TITLE 18, Section 1001), AND/OR REVOCATION OF ANY STATION LICENSE OR CONSTRUCTION PERMIT (U.S. CODE, TITLE 47, Section 312(a)(1)), AND/OR FORFEITURE (U.S. CODE, TITLE 47, Section 503).

National Exchange Carrier Association, Inc. 100 South Jefferson Road Whippany, NJ 07981

Quarterly Period Covered from: N/A Cumulative Period Covered from: 01/99 to 12/00

Common Line Pool Form 492 Additional Statements

Pursuant to Section 65.600 of the Commission's Rules, NECA is submitting cumulative period Rate of Return information for the Common Line Pool for the period January 1999 through December 2000, as of the August 2001 settlement view.

- 1) This Common Line-only pool report supplements data contained in NECA's combined Common Line/Traffic Sensitive pool Form 492 Report. Common Line data contained herein is duplicative of the data contained in NECA's combined report and the combined reports of individual exchange carriers that participate in NECA's Common Line pool but not its Traffic Sensitive pool.
- 2) Twenty-six companies converted from average schedule settlements to cost-based settlements during the cumulative period. These conversions affect the levels of expenses and investment associated with the Common Line Pool during the reporting periods.
- 3) The 1998 Modification of Average Schedules was effective beginning July 1, 1998, the 1999 Modification of Average Schedules was effective July 1, 1999, and the 2000 Modification of Average Schedules was effective July 1, 2000. These formulas are the basis for total payments to average schedule companies in the current period that are included, along with Category I.B NECA administrative expenses, in line 2 of NECA's Form 492.
- 4) Some cost company reported expenses and investments included in NECA's FCC 492 report are based upon estimated data. Historically, expense and investment levels increase as companies begin reporting actual data. Considering this, it is expected that the rates of return reported on NECA's Form 492 report will decline as the companies update their studies.
- The report includes cumulative period rate of return data reported to NECA for 1250 study areas that participated in NECA's Carrier Common Line tariffs throughout the monitoring period or entered the Common Line Pool within the first sixteen months of the monitoring period and elected for NECA to file their data for the months during the monitoring period they were in the pool. Actual cost and average schedule settlements information is used for the study areas in the report. Revenues for these study areas are derived using the pool realized rate of return.

FEDERAL COMMUNICATIONS COMMISS Washington, D.C. 20554	NOIS				App	round by COAR 3048-0155 Form as of D9715/2007
1. Name and Address of Reporting Company				2. Reporting Perio	d	Town or own agost
, , ,					y Period Covered	
National Exchange Carrier Association					N/A	N/A
80 South Jefferson Road				(b) Cumulai	ive Period Covered	
Whippany, NJ 07981					01/99	12/00
PCC 492			E OF RETURN RI			
NBCA Tariff Participants			ions on Reverse Be			• •
3. Particulars	(A) Interst		mounts Shown in		T (0) 6	
2. Factionals	Current Quarter	Cumulative	Current Quarter	anon Line Cumulative		ial Access
1. Total Revenues	N/A	\$3,359,924	N/A		Current Quarter N/A	Cumulative
1. Total Revenues	100	\$3,75,727		\$1,494,509	\ \^^	\$224,628
2. Total Expenses and Taxes	N/A	\$2,907,827	N/A	\$1,262,940	N/A	\$194,250
3. Oper. Inc. (Net Return) (1-2)	N/A	\$452,097	N/A	\$231,569	N/A	\$30,378
4. Rate Base-(Avg. Net Invest.)	N/A	\$1,914,803	N/A	\$1,011,957	N/A	\$132,316
5. Rate of Return (%) Annualized	NVA	11.81%	N/A	11.44%	N/A	11.48%
6. FCC Ordered Refund-	1			[.	l '	
Amortized for Current	N/A	20	N/A	92	N/A	50
Period (see Instr. I)		•	1 ""	1 -	'*^	-
			!		· .	•
7. Net Return (incl. effect of	N/A	\$452,097	N/A	\$231,569	N/A	\$30,378
FCC Order Refund) (3+6)	Ì			ł		
8. Rate of Return (incl. effect of FCC	N/A	11.81%	N/A	11.44%	N/A	11.48%
Order Refund) (7/4) Annualized				l	j i	
	Switch	ed Traffic	Traffin	Sensitive		L
3. Particulars				otal	-	
	Current Quarter	Cumulative	Current Quarter	Cumulative	1	
1. Total Revenues	N/A	\$1,640,787	. N/A -	\$1,865,415		
						•
2. Total Expenses and Taxes	N/A .	\$1,450,637	, N/A	\$1,644,887	•	
3. Oper. Inc. (Net Return) (1-2)	N/A	\$190,150		F130 418		
or open and their results) (1-2)	100	3170,130	N/A	\$220,528		
4. Rate Base-(Avg. Net Invest.)	N/A	\$770,530	N/A	\$902,846	1	•
, , , , , , , , , , , , , , , , , , ,			1	1		
5. Rate of Return (%) Annualized	N/A	12.34%	N/A	12.21%		
(500 0 .) . 5 4 . 3	1		{	}	1	
6. FCC Ordered Refund		.]	
Amortized for Current Period (see Instr. 1)	N/A	\$0	N/A	\$0]	
renoc (see ana. 1)	·		ł ·	1		•
7. Net Return (incl. officit of	N/A	\$190,150	N/A	5220,528		1995
PCC Order Refund) (3+6)						
	i i					
8. Rate of Ratum (Inc). effect of PCC	N/A	12.34%	N/A	12.21%		
Order Refund) (7/4) Annualized			1	ł		
agran. Maria, naria and gaspullars corpor note that the sole of the	1	Life of Series 15 car of	1248.47	a u por protej i batergalijamija nasi sastivija	tana anaton an indistribution distribution dis-	en seglem to a combit ellipse of the
1. Rates of Return for the Switched Traffic Se			-	Factor Used for An		A 5000
(a) Current Quarter	(b) Cumulative	3		Dumulative Measur	ement Peno a	0.5000
N/A		12.34%	6. Total Out-of-Po	eriod Adjustment ruction L)		\$0
Certification: I certify that I am the chief financial o	Mices or the duly arrive					
hat to the best of my knowledge, information, and beli		_			nt.	
of the business and offairs of the above-named respond		_	_	_		

Date

Typed Name of Person Signing

Title of Person Signing

09/28/2001 Ronald E. Cook Vice President, Finance & Planning

WILLPUL FALSE STATEMENTS MADE ON THIS FORM ARE PURISHABLE BY PRIME ANTHOR IMPRESONMENT (U.S. CODE, TITLE 18, Secret-101), ANTHOR REVOCATION OF ANY STATION LICENSE OR CONSTRUCTION FERMIT (U.S. CODE, TITLE 47, Section 102) and CODE, TITLE 547, Section

PCC 493- March 1995

National Exchange Carrier Association, Inc. 100 South Jefferson Road Whippany, NJ 07981 Quarterly Period Covered from: N/A Cumulative Period Covered from: 01/99 to 12/00

NECA Tariff Participants Form 492 Additional Statements

Pursuant to Section 65.600 of the Commission's Rules, NECA is submitting cumulative period Rate of Return information for the Common Line and Traffic Sensitive categories for the period January 1999 through December 2000, as of the August 2001 settlement view.

- 1) Twenty-four companies in the Traffic Sensitive Pool converted from average schedule settlements to cost-based settlements during the cumulative period. These conversions affect the levels of expenses and investment associated with the Common Line and Traffic Sensitive pools during the reporting periods.
- 2) The 1998 Modification of Average Schedules was effective beginning July 1, 1998, the 1999 Modification of Average Schedules was effective July 1, 1999, and the 2000 Modification of Average Schedules was effective July 1, 2000. These formulas are the basis for total payments to average schedule companies in the current period that are included, along with Category I.B and I.C NECA administrative expenses, in line 2 of NECA's Form 492.
- 3) Some cost company reported expenses and investments included in NECA's FCC 492 report are based upon estimated data. Historically, expense and investment levels increase as companies begin reporting actual data. Considering this, it is expected that the rates of return reported on NECA's Form 492 report will decline as the companies update their studies.
- The report includes cumulative period rate of return data reported to NECA for 1078 study areas that have participated in both NECA's carrier common line and traffic sensitive tariffs throughout the monitoring period or entered the Common Line Pool and Traffic Sensitive Pools within the first sixteen months of the monitoring period and elected for NECA to file their data for the months during the monitoring period they were in the pool. Actual cost and average schedule settlements information is used for the study areas in the report. Revenues, for these study areas are derived using the pool realized rate of return. The Total Interstate Access columns consist of data summed from the Common Line and Traffic Sensitive categories. Exchange carriers not included in NECA's Form 492 filed, an interstate access tariff during the monitoring period and file their own Form 492 pursuant to Commission rules.
- NECA reports the Rate of Return as an aggregate for the Traffic Sensitive category for monitoring purposes per Authorized Rates of Return for Interstate Services of AT&T Communications and Exchange Telephone Carriers, CC Docket No. 84-800 Phase I, Memorandum Opinion and Order, FCC 86-14 (released March 24, 1986) at n. 51.

EXHIBIT 4



80 South Jefferson Road • Whippany, NJ 07981

Patricia A. Chirico Executive Director Tariffs, Rates, Costs & Average Schedules RECEIVED - FCC

SEP 3 0 2003

Voice: 973-884-8087 Fax: 973-884-8469 E-mail: pchirico@neca.org

Federal Communication Commission Bureau / Office

September 30, 2003

Ms. Katie Rangos Federal Communications Commission Industry Analysis & Technology Division 445 12th Street, SW Washington, DC 20554

ATTENTION:

Wire Line Competition Bureau

SUBJECT:

Rate of Return Report, Form FCC 492

Dear Ms. Rangos:

Attached please find, in accordance with Part 65.600 of the Commission's Rules, the Rate of Return Report covering the cumulative period of January 1, 2001 through December 31, 2002 for common line and traffic sensitive pools administered by NECA.

If there are any questions regarding the enclosed, please call me.

Sincerely,

Enclosures

cc:

FCC Secretary

Qualex

FEUERAL COMMUNICATIONS COMMISSION

Washington, DC 20554

09/30/2003

Ronald E. Cook

Approved by OMB 3060-0355 Expires 05/31/98

1. Name and Address of Reporting Company	2. Reporting Period				
National Exchange Carrier Association		(a) Quarterly Period C	lovered:		
80 South Jefferson Road				N/A	
Whippany, NJ 07981				14/12	
whippany, 143 07201		From: 01/01		12/02	
FCC 492	RATE OF	RETURN REPORT			
Common Line Pool	(Reac	l Instructions on Reverse Before Con	ipleting)	•	
		Dollar Amounts Shown in Thousan	ds		
3. Particulars	The second secon	والتكافية والمراب والمستور والتنافية والمستورة والمراب والمتاب والمتاب والمتاب والمتاب والمتاب والمتاب والمتاب			
	Current Quarter	Cumulative			
1. Total Revenues	N/A	\$3,425,600			
	NT/A	\$2 \$70 526			
2. Total Expenses and Taxes	INA	\$2,675,550			
3. Oper. Inc. (Net Return)(1-2)	N/A	\$546,064			
5. Open me (Norwelling)	(a) Quarterly Period Covered: From: N/A To: (b) Cumulative Period Covered: From: 01/01 To RATE OF RETURN REPORT (Read Instructions on Reverse Before Completing, Dollar Amounts Shown in Thousands Common Line Current Quarter Cumulative N/A \$3,425,600 N/A \$2,879,536 N/A \$546,064 N/A \$2,265,866 N/A \$12.05% N/A \$0 N/A \$546,064 N/A \$12.05% Rate 0.5000				
4. Rate Base-(Avg. Net Invest.)	N/A	(a) Quarterly Period Covered: From: N/A To: N/A (b) Cumulative Period Covered: From: 01/01 To: 12/0 FRETURN REPORT and Instructions on Reverse Before Completing) Dollar Amounts Shown in Thousands Common Line Cumulative \$3,425,600 \$2,879,536 \$546,064 \$2,265,866 12.05% \$0 \$546,064 12.05% \$0 \$546,064 12.05% \$0 \$546,064			
5. Rate of Return (3/4) Annualized	N/A	12.05%			
		1			
6. FCC Ordered Refund -	,				
Amortized for Current	N/A	\$0			
Period (see Instr. I)			•		
		2546.064			
7. Net Return (incl. effect of	N/A	\$540,004			
FCC Order Refund) (3+6)					
8. Rate of Return (incl. effect of FCC	N/A	12.05%			
Order Refund) (7/4) Annualized	I IVA	,2.00,0			
Older Keiding) (7/4) Allinumizee					
		<u></u>	,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,		
4. Multiplicative Factor Used for Annualizing	g Rate	0.5000			
Of Return for Cumulative Measurement Pe					
5: Total Out-of-Period Adjustment (See Instr	. L)	· · · · · · · · · · · · · · · · · · ·		in in in in in it is	
	namento com o superior de mante de la composición del composición de la composición	The same of the sa			
				Control of the Section of the Sectio	
	neo respondent in respect to eat	The and every matter set to the metern doring			
specified period.					
Date Typed Name of Person Signing	Title of Person	Signing S	ignoture		
Table trattle of t eraon ordining		- 5 ·- 6	17 "	α	

WILLFUL FALSE STATEMENTS MADE ON THIS FORM ARE PUNISHABLE BY FINE AND/OR IMPRISONMENT (U.S. CODE, TITLE 18, Section 1001), AND/OR REVOCATION OF ANY STATION LICENSE OR CONSTRUCTION PERMIT (U.S. CODE, TITLE 47, Section 312(a)(1)), AND/OR FORFEITURE (U.S. CODE, TITLE 47, Section 503).

Vice President, Finance & Administration

National Exchange Carrier Association, Inc. 80 South Jefferson Road Whippany, NJ 07981

Quarterly Period Covered from: N/A Cumulative Period Covered from: 01/01 to 12/02

Common Line Pool Form 492 Additional Statements

Pursuant to Section 65.600 of the Commission's Rules, NECA is submitting cumulative period Rate of Return information for the Common Line Pool for the period January 2001 through December 2002, as of the August 2003 settlement view.

- 1) This Common Line-only pool report supplements data contained in NECA's combined Common Line/Traffic Sensitive pool Form 492 Report. Common Line data contained herein is duplicative of the data contained in NECA's combined report and the combined reports of individual exchange carriers that participate in NECA's Common Line pool but not its Traffic Sensitive pool.
- 2) Thirty-eight companies converted from average schedule settlements to cost-based settlements during the cumulative period. These conversions affect the levels of expenses and investment associated with the Common Line Pool during the reporting periods.
- The 2000 Modification of Average Schedules was effective beginning July 1, 2000, the 2001 Modification of Average Schedules was effective beginning July 1, 2001, and the 2002 Modification of Average Schedules was effective beginning July 1, 2002. These formulas are the basis for total payments to average schedule companies in the current period that is included, along with Category I.B NECA administrative expenses, in line 2 of NECA's Form 492.
- 4) Some cost company reported expenses and investments included in NECA's FCC 492 report are based upon estimated data. Historically, expense and investment levels increase as companies begin reporting actual data. Considering this, it is expected that the rates of return reported on NECA's Form 492 report will decline as the companies update their studies. Also, Long Term Support and Interstate Common Line Support payments are subject to trueups pursuant to FCC rules.
- The report includes cumulative period rate of return data reported to NECA for 1243 study areas that participated in NECA's Carrier Common Line tariffs pursuant to Commission rules. Actual cost and average schedule settlements information is used for the study areas in the report. Revenues for these study areas are derived using the pool realized rate of return.

Washington, D.C. 20554				Expires 05/31/
1. Name and Address of Reporting Company		2. Reporting Period		
		(a) Quarterly I	Period Covered	
National Exchange Carrier Association			N/A	N/A
80 South Jefferson Road	•	(b) Cumulativ	e Period Covered	:
Whippany, NJ 07981		sil.	01/01	12/02
	TO A PERMIT AND THE PERMIT OF THE PARTY OF T			

FCC 492

RATE OF RETURN REPORT

NECA Tariff Participants

(Read Instructions on Reverse Before Completing)
Dollar Amounts Shown in Thousands

			Amounts Shown in	Thousands				
3. Particulars	(A) Inters	tate Access	(B) Con	nmon Line	(C) Spec) Special Access .		
	Current Quarter	Cumulative	Current Quarter	Cumulative	Current Quarter	Cumulative		
1. Total Revenues	N/A	\$4,158,193	N/A	\$2,101,957	N/A	\$449,022		
2. Total Expenses and Taxes	N/A	\$3,558,474	N/A	\$1,783,812	N/A	\$381,979		
3. Oper, Inc. (Net Return) (1-2)	N/A	\$599,719	N/A	\$318,145	N/A	\$67,043		
4. Rate Base-(Avg. Net Invest.)	N/A	\$2,427,570	N/A	\$1,320,125	N/A	\$266,729		
5. Rate of Return (%) Annualized	N/A	12.35%	N/A	12.05%	N/A	12.57%		
FCC Ordered Refund- Amortized for Current Period (see Instr. 1)	N/A	\$0	N/A	\$0	N∕A	\$0		
7. Net Return (incl. effect of FCC Order Refund) (3+6)	N/A	\$599,719	N/A	\$318,145	N/A	\$67,043		
8. Rate of Return (incl. effect of FCC Order Refund) (7/4) Annualized	N/A	12.35%	N/A	12.05%	N/A	12.57%		
	Switch	Switched Traffic Traffic Sensitive						
3. Particulars			Total					
	Current Quarter	Cumulative	Current Quarter	Cumulative				
1. Total Revenues	N/A	\$1,607,214	N/A	\$2,056,236				
2. Total Expenses and Taxes	N/A	\$1,392,683	N/A	\$1,774,662				
3. Oper. Inc. (Net Return) (1-2)	N/A	\$214,531	N/A	\$281,574	·			
4. Rate Base-(Avg. Net invest.)	N/A	\$840,716	N/A	\$1,107,445				
5. Rate of Return (%) Annualized	N/A	12.76%	N/A	12.71%				
6. FCC Ordered Refund- Amortized for Current Period (see Instr. ?)	N/A	\$0	N/A	s o_				
7. Net Return (incl. effect of FCC Order Refund) (3+6)	N/A	\$214,531	N/A	\$281,574				
8. Rate of Return (incl. effect of FCC Order Refund) (7/4) Annualized	WA	12.76%	N/A	12.71%				
4. Rates of Return for the Switched Traffic Se	ensitive Category	·	5. Multiplicative F	ector Used for Ann	ualizing Rate			
(a) Current Quarter	(b) Cumulative		of Return for Ci	imulative Measure	ment Period	0.5000		
		10 764	6. Total Out-of-Per	•				
N/A	<u> </u>	12.76%	(see instru	iction L)		\$0		

12.76% (see instruction L) 7. Confiscation: I certify that I am the chief financial officer or the duly assigned accounting officer: that I have examined the foregoing report; that to the best of my knowledge, information, and belief, all statements of fact contained in this report are true and this report is a correct statement

of the business and affairs of the above-named respondent in respect to each and every matter set forth therein during the specified period. Typed Name of Person Signing Date

Title of Person Signing

Signature

Ronald E. Cook

Vice President, Finance & Administration

WILLFUL FALSE STATEMENTS MADE ON THIS FORM ARE PUNISHABLE BY FINE ANIMOR IMPRISONMENT (U.S. CODE, TITLE 18, Section 1001), AND/OR REVOCATION OF ANY STATION LICENSE OR CONSTRUCTION PERMIT (ILS. CODE, TITLE 47, Section 312(a)(1)), AND/OR FORFEITURE (U.S. CODE, TITLE 47, Section 503).

National Exchange Carrier Association, Inc. 80 South Jefferson Road Whippany, NJ 07981

Quarterly Period Covered From: N/A Cumulative Period Covered From: 01/01 to 12/02

NECA Tariff Participants Form 492 Additional Statements

Pursuant to Section 65.600 of the Commission's Rules, NECA is submitting cumulative period Rate of Return information for the Common Line and Traffic Sensitive categories for the period January 2001 through December 2002, as of the August 2003 settlement view.

- Thirty-six companies converted from average schedule settlements to cost-based settlements during the cumulative period. These conversions affect the levels of expenses and investment associated with the Common Line and Traffic Sensitive pools during the reporting periods.
- 2) The 2000 Modification of Average Schedules was effective July 1, 2000, the 2001 Modification of Average Schedules was effective July 1, 2001, and the 2002 Modification of Average Schedules was effective July 1, 2002. These formulas are the basis for total payments to average schedule companies in the current period that are included, along with Category I.B and I.C NECA administrative expenses, in line 2 of NECA's Form 492.
- 3) Some cost company reported expenses and investments included in NECA's FCC 492 report are based upon estimated data. Historically, expense and investment levels increase as companies begin reporting actual data. Considering this, it is expected that the rates of return reported on NECA's Form 492 report will decline as the companies update their studies. Also, Long Term Support, Interstate Common Line Support, and Local Switching Support payments are subject to true-ups pursuant to FCC rules.
- The report includes cumulative period rate of return data reported to NECA for 1091 study areas that have participated in both NECA's carrier common line and traffic sensitive tariffs pursuant to Commission rules. Actual cost and average schedule settlements information is used for the study areas in the report. Revenues for these study areas are derived using the pool realized rate of return. The Total Interstate Access columns consist of data summed from the Common Line and Traffic Sensitive categories. Exchange carriers not included in NECA's Form 492 filed an interstate access tariff during the monitoring period and file their own Form 492 pursuant to Commission rules.
- 5) NECA reports the Rate of Return as an aggregate for the Traffic Sensitive category for monitoring purposes per Authorized Rates of Return for Interstate Services of AT&T Communications and Exchange Telephone Carriers, CC Docket No. 84-800 Phase I, Memorandum Opinion and Order, FCC 86-14 (released March 24, 1986) at n. 51.

EXHIBIT 5



30 South Jefferson Road - Whippany, NJ 07981

Patricia A. Chirico Executive Director Tariffs, Rates, Costs & Average Schedules

RECEIVED

MAR 3 1 2004

FEDERAL COMMUNICATIONS COMMISSION OFFICE OF THE SECRETARY

的影响,那么知识的一点影。

เมื่อเกลียน เรียกเลียน

Volce: 973-884-8087 Fax: 973-884-8469 E-mail: pchirico@neca.org

March 31, 2004

Ms. Katie Rangos Federal Communications Commission Industry Analysis & Technology Division 445 12th Street, SW Washington, DC 20554

ATTENTION:

Wire Line Competition Bureau

SUBJECT:

Rate of Return Report, Form FCC 492

Dear Ms. Rangos:

Attached please find, in accordance with Part 65.600 of the Commission's Rules, the Rate of Return Report covering the cumulative period of January 1, 2003 through December 31, 2003 for common line and traffic sensitive pools administered by NECA.

If there are any questions regarding the enclosed, please call me.

Sincerely,

Enclosures

cc:

FCC Secretary

FEDERAL COMMUNICATIONS COMMI Washington, DC 20554	3310K		Approved by OMB 3060-03 Expires 05/31/98		
1. Name and Address of Reporting Company		2. Reporting Period			
National Exchange Carrier Association		(a) Quarterly Perio	nd Covered		
80 South Jefferson Road		From: N/			
Whippany, NJ 07981		(b) Cumulative Period (
		From: 01/0			
FCC 492	RATE OF	RETURN REPORT			
Common Line Pool		Instructions on Reverse Before Dollar Amounts Shown in Thou			
3. Particulars		mmon Line			
Current Quarter		Cumulative	_		
1. Total Revenues	N/A	\$1,960,010	7		
2. Total Expenses and Taxes	N/A	\$1,672,969			
3. Oper. Inc. (Net Return)(1-2)	N/A	\$287,041			
4. Rate Base-(Avg. Net Invest.)	N/A	\$2,324,707			
5. Rate of Return (3/4) Annualized	N/A	12.35%			
6. FCC Ordered Refund -	·				
Amortized for Current Period (see Instr. I)	N/A	\$0			
7. Net Return (incl. effect of FCC Order Refund) (3+6)	N/A	\$287,041			
Rate of Return (incl. effect of FCC Order Refund) (7/4) Annualized	N/A	12.35%			
l. Multiplicative Factor Used for Annualizing I Of Return for Cumulative Measurement Peri		1.0000			
. Total Out-of-Period Adjustment (See Instr. I)	\$0			
Certification: I certify that I am the chief financial off nat to the best of my knowledge, information, and belief	cer or the duly assigned accoun	nting officer; that I have examined the	foregoing report;		

WILLFUL FALSE STATEMENTS MADE ON THIS FORM ARE PUNISHABLE BY FINE AND/OR IMPRISONMENT (U.S. CODE, TITLE 18, Section 1001), AND/OR REVOCATION OF ANY STATION LICENSE OR CONSTRUCTION PERMIT (U.S. CODE, TITLE 47, Section 312(a)(1)), AND/OR FORFEITURE (U.S. CODE, TITLE 47, Section 503).

Title of Person Signing

Director of Financial Operations and Treasurer

Date

03/31/2004

Typed Name of Person Signing

Peter Dunbar

FCC 492 May 1995

Signature

National Exchange Carrier Association, Inc. 80 South Jefferson Road Whippany, NJ 07981

Quarterly Period Covered from: N/A Cumulative Period Covered from: 01/03 to 12/03

Common Line Pool Form 492 Additional Statements

Pursuant to Section 65.600 of the Commission's Rules, NECA is submitting cumulative period Rate of Return information for the Common Line Pool for the period January 2003 through December 2003, as of the March 2004 settlement view.

- This Common Line-only pool report supplements data contained in NECA's combined Common Line/Traffic Sensitive pool Form 492 Report. Common Line data contained herein is duplicative of the data contained in NECA's combined report and the combined reports of individual exchange carriers that participate in NECA's Common Line pool but not its Traffic Sensitive pool.
- 2) Nine companies converted from average schedule settlements to cost-based settlements during the cumulative period. These conversions affect the levels of expenses and investment associated with the Common Line Pool during the reporting periods.
- 3) The 2002 Modification of Average Schedules was effective beginning July 1, 2002 and the 2003 Modification of Average Schedules was effective beginning July 1, 2003. These formulas are the basis for total payments to average schedule companies in the current period that is included, along with Category I.B NECA administrative expenses, in line 2 of NECA's Form 492.
- Some cost company reported expenses and investments included in NECA's FCC 492 report are based upon estimated data. Historically, expense and investment levels increase as companies begin reporting actual data. Considering this, it is expected that the rates of return reported on NECA's Form 492 report will decline as the companies update their studies. Also, Long Term Support and Interstate Common Line Support payments are subject to trueups pursuant to FCC rules.
- 5) The report includes cumulative period rate of return data reported to NECA for 1241 study areas that participated in NECA's Carrier Common Line tariffs pursuant to Commission rules. Actual cost and average schedule settlements information is used for the study areas in the report. Revenues for these study areas are derived using the pool realized rate of return.

Washington, D.C. 20554						Post Armana	
1. Name and Address of Reporting Company				2. Reporting Per	iod	Expires 05/31/98	•
Motional European Control					ly Period Covered		
National Exchange Carrier Association 80 South Jefferson Road					N/A N/A		
Whippany, NJ 07981				(b) Cumula	ative Period Covere	d:	
FCC 492		PAT	TE OF RETURN R	FRORE	01/03	12/03	
NECA Tariff Participants		(Read Instruc	tions on Reverse Be	EFUKI fore Completivel			
		Dollar	Amounts Shown in	iore completing) Thousands			
3. Particulars	(A) Inters	late Access		amon Line	(C) Sno	cial Access	
	Current Quarter	Cumulative	Current Quarter	Cumulative	Current Quarter	Cumulative	
1. Total Revenues	N/A	\$2,319,739	. N/A	\$1,243,598	N/A	\$314,899	
2. Total Expenses and Taxes	N/A	\$1,975,211	N/A	\$1,067,336	N/A	\$260,945	
3. Oper. Inc. (Net Return) (1-2)	N/A	\$344,528	N/A	\$176,262	N/A	\$53,954	
4. Rate Base-(Avg. Net Invest.)	N/A	\$2,591,887	N/A	\$1,427,516	N/A	\$315,862	
5. Rate of Return (%) Annualized	N/A	13.29%	N/A	12.35%	N/A	17.08%	
6. FCC Ordered Refund-			}		i i		
Amortized for Current	N/A	\$0	N/A	. \$0	N/A	\$0	
Period (see Instr. I)			1	· - ·			
7. Net Return (incl. effect of FCC Order Refund) (3+6)	N/A	\$ 344,528	N/A	\$176,262	N/A	\$53,954	
8. Rate of Return (incl. effect of FCC Order Refund) (7/4) Annualized	N/A	13.29%	N/A	12.35%	N/A	17.08%	
	Switch	ed Traffic	Traffic	Sensitive			
3. Particulars			To				
1. Total Revenues	Current Quarter	Cumulative	Current Quarter	Cumulative			
1. Total Revenges	N/A	\$761,242	N/A	\$1,076,141			
2. Total Expenses and Taxes	N/A	\$646,930	N/A	\$907,875			
3. Oper. Inc. (Net Return) (1-2)	N/A	\$114,312	N/A	\$168,266			
4. Rate Base-(Avg. Net Invest.)	N/A	\$848,509	N/A	\$1,164,371			
5. Rate of Return (%) Annualized	N/A	13.47%	N/A	14.45%		•	
6. FCC Ordered Refund-	1		ĺ				
Amortized for Current Period (see Instr. I)	N/A	\$0	N/A	\$0	i J		
7. Net Return (injet, effect of FCC Order Refund) (3+6)	N/A	\$114,312	N/A	\$168,266			
8. Rate of Return (incl. effect of FCC Order Refund) (7/4) Annualized	**************************************	13.47%	N/A	14.45%			
4. Rates of Return for the Switched Traffic Sens	itive Category		5. Multiplicative Fa	ctor Used for Ann	nalizino Rate		
(a) Current Quarter	(b) Cumulative			mulative Measure		1.0000	
i			6. Total Out-of-Peri			210000	
N/A		3.47%	(see instrue			\$0	
7. Certification: I certify that I am the chief financial offic	er or the duly assigned	accounting officer: t	hat I have examined the	foregoing report;			
Abote de bos semilares de la companya del la companya de la compan							
that to the best of my knowledge, information, and belief, of the business and affairs of the above-named respondent	all statements of fact c	ontained in this repor	t are true and this report	is a correct statement			

National Exchange Carrier Association, Inc. 80 South Jefferson Road Whippany, NJ 07981

Quarterly Period Covered From: N/A Cumulative Period Covered From: 01/03 to 12/03

NECA Tariff Participants Form 492 Additional Statements

Pursuant to Section 65.600 of the Commission's Rules, NECA is submitting cumulative period Rate of Return information for the Common Line and Traffic Sensitive categories for the period January 2003 through December 2003, as of the March 2004 settlement view.

- Nine companies converted from average schedule settlements to cost-based settlements during the cumulative period. These conversions affect the levels of expenses and investment associated with the Common Line and Traffic Sensitive pools during the reporting periods.
- 2) The 2002 Modification of Average Schedules was effective July 1, 2002 and the 2003 Modification of Average Schedules was effective July 1, 2003. These formulas are the basis for total payments to average schedule companies in the current period that are included, along with Category I.B and I.C NECA administrative expenses, in line 2 of NECA's Form 492.
- 3) Some cost company reported expenses and investments included in NECA's FCC 492 report are based upon estimated data. Historically, expense and investment levels increase as companies begin reporting actual data. Considering this, it is expected that the rates of return reported on NECA's Form 492 report will decline as the companies update their studies. Also, Long Term Support, Interstate Common Line Support, and Local Switching Support payments are subject to true-ups pursuant to FCC rules.
- The report includes cumulative period rate of return data reported to NECA for 1113 study areas that have participated in both NECA's carrier common line and traffic sensitive tariffs pursuant to Commission rules. Actual cost and average schedule settlements information is used for the study areas in the report. Revenues for these study areas are derived using the pool realized rate of return. The Total Interstate Access columns consist of data summed from the Common Line and Traffic Sensitive categories. Exchange carriers not included in NECA's Form 492 filed an interstate access tariff during the monitoring period and file their own Form 492 pursuant to Commission rules.
- 5) NECA reports the Rate of Return as an aggregate for the Traffic Sensitive category for monitoring purposes per Authorized Rates of Return for Interstate Services of AT&T Communications and Exchange Telephone Carriers, CC Docket No. 84-800 Phase I, Memorandum Opinion and Order, FCC 86-14 (released March 24, 1986) at n. 51.